



# Environmental & Pollution Liability Insurance

Environmental & Pollution Liability insurance provides a comprehensive solution that addresses a range of environmental risks that are often not covered by General Liability or Statutory Liability policies. This includes cover for legal liability arising from bodily injury, property damage and environmental damage caused by pollution incidents that occur when providing services. Importantly the policy will also cover emergency response expenses that are required to contain and remediate the contamination.

## Fixed Site Pollution Legal Liability (PLL)

- > Historical pollution cover
- > Operational pollution cover

## Service Industry Pollution Liability (CPL)

- > Exacerbate existing pollution conditions
- > Introduce new pollution conditions
- > Claims made or occurrence wordings available
- > Covers obligations directed by a regulatory body

## Contractors Professional Environmental Liability

- > Combined professional indemnity & CPL policy
- > Specific for environmental consultants
- > No pollution limitations or sublimits

## BENEFITS & FEATURES

### EMERGENCY RESPONSE COSTS



Costs incurred to respond to a pollution incident

### THIRD PARTY BODILY INJURY



Physical injury, disease, mental anguish or emotional distress

### THIRD PARTY PROPERTY DAMAGE



Claims for damage, including the resultant loss of use, to third party property

### CLEAN UP COSTS



Covers gradual as well as sudden and accidental pollution conditions covered

### ASBESTOS / MICROBIAL MATTER



Broad definition of pollution includes asbestos and microbial matter

### INSURED'S OWN SITE

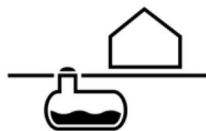


Cover provided for pollution from an insured's own site

## STATISTICS

# \$100,000

Average cost of remediating a leaking underground storage tank

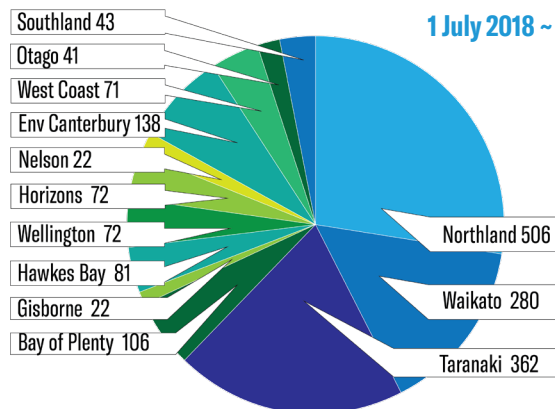


# 60%

 of rivers in New Zealand in 2020 carry pollution above acceptable levels

## Abatement, infringement notices, enforcement orders and prosecutions

1 July 2018 ~ 30 Jun 2020





## COVERAGE

	GENERAL LIABILITY	STATUTORY LIABILITY	PROFESSIONAL INDEMNITY	ENVIRONMENTAL AND POLLUTION LIABILITY
Civil Claim: 3rd Party Prop Damage - Sudden	●	-	●	●
Civil Claim: 3rd Party Prop Damage - Gradual	-	-	●	●
Business Interruption	-	-	-	●
Civil Claim: 3rd Party Bodily Injury	●	-	●	●
Environmental Damage	●	-	●	●
Emergency Response Costs	-	-	-	●
Clean-up Costs	●	-	-	●
Criminal Prosecution - Fines	-	●	-	●
Criminal Prosecution - Reparations	●	●	-	●
Asbestos contamination	-	-	-	●

● Coverage Provided   ● Coverage Possible   - No Coverage

## CLAIMS SCENARIOS

### Scenario 1: Diesel spill

An open cast mine site has its own fuel tank and refuelling station to refuel machinery. Fuel is delivered by one of the insured's contractors. A spillage occurred and 5,000 litres of diesel escaped from the tanker, contaminating the surrounding soil and stream.



A loss adjuster reviewed the matter and considered remediation costs. The insured undertook the clean-up themselves and worked to restore the site. The Environmental Liability Fixed Site policy responded to cover the clean-up costs to the site of \$63,000. No prosecution by the local council as a result of the spill.

### Scenario 2: Contaminated fill

The insured managed a tip/fill facility at an airport. One of the insured's employees agreed to allow a 'friend of a friend' to tip eight loads of fill, on the basis that he thought it was clean fill and the acquaintance would give him money. The insured discovered the unauthorised tipping and contacted Delta's claims team. An environmental consultant was appointed and testing showed trace elements of asbestos. The zone was cleared and the soil disposed of correctly. The employee was considered 'rogue' and resigned. Delta paid \$75,000 for testing and the remediation works at the site.



### Scenario 3: Asbestos disposal

An asbestos surveying company was asked by an insurer to produce an asbestos report for a house which had suffered storm damage and needed its roof replacing. The surveyor inspected the roof and identified decramastic tiles. Some very old decramastic tiles contain asbestos. The surveyor understood the roof to be 20 years old and therefore reported they did not consider there was an risk of asbestos.



The insurer cash settled with the house owner for the repairs to the roof on the basis of the report. When the house owner got the repairs done, the builder was concerned about the roof and got a test done, identifying that the tiles in fact dated back to the 1980s and contained asbestos. The asbestos had to be disposed of in accordance with regulations, costing an extra \$20,000.

The insurer refused to pay the additional cost as they had cash settled, and the house owner claimed the additional cost from the surveying company. The surveying company held an Contractors Professional Liability policy which covered the \$20,000 cost of the claim. Most standard professional indemnity policies contain an asbestos exclusion and would not have covered the claim.